

**ESS Finance Subcommittee
Web Conference Meeting
April 9, 2026**

Attendance

Subcommittee Members

Stacie Herridge, Story County Recorder
Melissa Bahnsen, Cedar County Recorder
Natalie Steffener, Des Moines County Recorder
Kelly Spees, Jefferson County Recorder

Geralyn Greer, Shelby County Recorder
Amy Assink, Floyd County Recorder
Sheri Jones, Jones County Recorder

Other Participants

Jamie Stargell, Adams County Recorder
Nancy Booten, Lee County Recorder
Erin Canfield, Boone County Recorder
Teresa Olson, Worth County Recorder

Ann Ditsworth, Dickinson County Recorder
Patty Hanners, Scott County Recorder
Megan Clyman, Davis County Recorder

Phil Dunshee, Iowa Land Records
Jammie Hoffman, Iowa Land Records
Lisa Long, Iowa Land Records

Corrie Strasser, Iowa Land Records
Samantha McMahon, Iowa Land Records

Welcome

A meeting of the ESS Finance Subcommittee was held via web conference. The meeting was called to order at 9:00 AM.

Meeting Summary

The Finance Subcommittee reviewed the March 5, 2026, meeting summary. Melissa Bahnsen made a motion to approve the March meeting summary. Stacie Herridge seconded, and the motion was approved.

Accounts Receivable Update

The Account Manager presented the accounts receivable report to the Finance Subcommittee, as of March 31, 2026. The report primarily consisted of county invoices for the calendar year 2026 maintenance fees. Updated invoices will be provided to counties that will be paying in fiscal year 2027, with the new ESS address.

April Summary of March ESS Payments

The Accounting Coordinator presented the accounts payable expenses to the Subcommittee. Key points covered purchases from Iowa Solutions for a docking station and computer for the new ESS Executive Director. Additionally, two invoices were identified for cookies and a mileage reimbursement for the ESS Coordinating Committee meeting in March and three reimbursements for parking to attend the ISAC presentation on March 12, 2026.

Further review showed the purchase of two chairs for the new office. The office deposit paid to T&L Properties was paid during the month. It was noted that the first month of rent for the new space was paid for April, as well. Visionary's second invoice relating to the website refresh was paid during the month. All other items were normal month-to-month expenses.

A review of recent credit card expenditures was provided. Several purchases of furniture and office supplies for the new ESS office space were reviewed. A moving charge from Two Men and a Truck was also highlighted. Additionally, two charges from AIT for domain registrations were discussed, with one more charge expected. A second charge from Adobe was explained as an additional license was needed for the Executive Director. Also relating to the Executive Director position was a pro-rated charge for Slack. All other items were normal month-to-month expenses.

A full ESS vendor list was provided to the ESS Finance Subcommittee, which outlined detailed services and

budget items for each vendor engaged with ESS.

A motion to approve the April summary of March ESS payments was made by Sheri Jones, with Melissa Bahnsen seconding. The motion was approved.

April Fund 255 Reimbursement Invoice

An update for the F255 account was provided. During the month of February funds received by the State Treasurer's Office had not yet been recorded at the time of their reconciliation. As part of the arrangement with the State Treasurer's Office, ESS will draw down funds based on the previous month's income as a means of managing the budget. The funds are expected to catch up in the following month. There was no Fund 255 reimbursement invoice for April.

February 2026 Financial Reports

The Subcommittee reviewed the financial reports for February 2026. Notably, the Bankers Trust settlement account opened and closed with a balance of \$0. The Bankers Trust money market account opened with a \$1,444,344.97 beginning balance and ended at \$1,416,982.41. Both accounts were successfully reconciled.

The Profit & Loss (P&L) statement for February showed ESS's budgeted income of \$140,976.86 against budgeted expenses of \$239,454.37, resulting in a budgeted net income of -\$98,477.51. The revolving income for the period was \$2,570,534.42, contributing to a gross income of \$2,711,511.28. Planned reserve expenses totaled \$2,952.57, with the monthly depreciation expense at \$18,337.02. Revolving expenses were \$2,573,602.92, which resulted in total expenditures of \$2,834,346.88. The net income for February 2026 came in at -\$122,835.60.

A comparison of February 2025 to February 2026 financials was provided to the Subcommittee. The report detailed each account, resulting in an overall 4.6% increase in budgeted income for the period. Total budgeted expenses increased by 119.5% from the previous year, resulting in a total decrease in net income of 483.9% or \$124,128.82.

Discussion of income-related items included the Bankers Trust money market account interest. The earnings have decreased due to rate cuts over the last several months but have increased compared to the year prior. Bad payment fees doubled due to bad payments and chargebacks during the month. POS fee income was down compared to 2025 by 24.5%, while E-Submission service fee income has increased by 15%. Finally, the miscellaneous income for the month was due to the sale of an old monitor.

Updates on expense-related items included the ESS accounting software. During February 2025, the negative expense was due to a tax refund for the service. Payment fees were down during the month due to POS sales being down compared to the year prior. Additionally, bank analysis fees were up because of increased transactions during the month. Local maintenance expense invoices were received and paid, contributing to the rise in expenses during the month. After transitioning to a calendar year cycle, previously billed per fiscal year, the invoices from local service providers are expected earlier in the year.

The Balance Sheet indicated total assets and liabilities at \$2,830,165.68, with \$554,393.14 specifically residing in the Bankers Trust settlement account and \$1,416,982.41 in the Bankers Trust money market account. It is important to note, given accrual-based accounting, the Balance Sheet figures for the Bankers Trust settlement account are higher than the actual bank account balance. The settlement account amount on the Balance Sheet represents unreconciled transactions in the ESS accounting software as of February 28, 2026.

Journal entries for the month of January were provided to the ESS Finance Subcommittee. Most of the entries were related to the movement of money in and out of the Bankers Trust settlement and money market accounts. The report also detailed the monthly depreciation expense for developed software. This expense is down in 2026 due to some of the developed software becoming fully depreciated during 2025. Additionally, two entries of moving backfile redaction services and reserve account transactions were noted and explained.

The beginning balance of the credit card account in February was \$11,951.06 and ended with a balance of \$3,111.94. The account was reconciled successfully.

The Fund 255 account for February, opened with a balance of \$165,265.81 and closed at \$165,751.05. Due to no entry by the State Treasurer's Office by the reconciliation date, the interest earned on the account will be deferred for drawdown until next month.

A motion was made by GERALYN GREER to approve the February 2026 financial reports, as presented. MEL BAHNSEN seconded, and the motion was approved.

Designation of Vice Chair

The Finance Subcommittee and ESS Coordinating Committee approved updates to the Finance Policies and Procedures during the February meetings. There were several additions and changes, including the designation of a Finance Subcommittee Vice Chair. Sheri Jones was nominated as the Vice Chair.

Stacie Herridge made a motion to designate Sheri Jones for the Finance Subcommittee Vice Chair. GERALYN GREER seconded, and the motion was approved.

ESS Financial and Strategic Review

March Metrics Review

E-Submission activity for March 2026 was reported to have the second highest March for E-Submissions in the history of Iowa Land Records, with 33,459 documents being recorded electronically across the state. The E-Submission documents recorded increased 14% over March 2025, with recorded documents last year totaling 29,304.

Distribution Issues – Update

The Accounting Coordinator provided the Subcommittee with an update of the outstanding E-Submission distribution issues. The process was explained to typically start around 4:50 p.m. During this process, the ILR (Iowa Land Records) system grabs everything in paid status and starts sending the ACH transactions to the payment processor (USAePay). Payment processing usually takes no more than fifteen minutes, and a file can be generated for timely payment with no issues.

Mid-March the paid status file started processing later than normal. However, at first the transactions were still all included in the file. The ESS development team reviewed the process to determine if the latency of processing was on the ILR side and confirmed that it was not.

On March 20th, USAePay was still processing transactions after the NACHA file, payment report, generated. The development team was able to observe the process and the ILR side of the process was operating as intended. Any transactions that had not finished running through the payment processor by the cutoff time were moved to the following day. At that time, the process took around forty-five minutes to complete.

On March 25th, the development team adjusted the cutoff time to accommodate for the latency in USAePay's processing. The NACHA process was set to start generating at 6 p.m. to ensure that everything was included in the file for the day for distribution to the counties. It was explained that the time adjustment was only a temporary fix until the ESS team can get more answers from USAePay about why the transactions are still running after 5:30 p.m.

In addition to transactions running past the cutoff time, ESS was delayed in receiving the ACH transaction money. Since the issue first occurred, the money has not been received until one or two days later. The ESS and Professional Solutions teams have entered several tickets with USAePay to receive traction on the file processing latency issue. They have confirmed that their tech team is looking into the issue. A few options are being explored to mitigate the processing issue with USAePay. One option is to begin the payment cycle with USAePay earlier. A second long-term approach would be to transition away from USAePay and work with an alternative payment processing provider.

A question did arise about the history of ESS and USAePay. It was stated that ESS started working with the company approximately a decade ago. Throughout this partnership, ESS has not had any issues until the past year. The longevity of the company is currently unknown. Alternative payment processors have been identified and are actively being explored with the help of Professional Solutions. Updates will be provided to the

Subcommittee as they become available.

Denman CPA LLP Audit

It was reported that the 2025 audit has been scheduled with Denman CPA LLP. The audit will take place in the ESS West Des Moines office, starting on April 20, 2026. The audit is expected to last approximately a week, and the report will be provided in August.

WordPress

The ESS Executive Director provided a brief update on the WordPress project with Visionary. Phase one of the project, the site content audit, has been successfully completed. The project has started phase two. During this stage, the ESS team and Visionary are working to update site navigation, resources and accessibility based on recommendations from phase one.

A wireframe was provided to the Subcommittee showing a preview of potential layout updates for the public-facing website. The first page was shown highlighting the importance of the "ILR Login" and "Request an Account" options. It was noted that frequently used resources may also be added to the home page to improve the user experience. The Communications and Marketing Coordinator will be reaching out to the opted in participants from the survey to schedule a focus group on testing the redesigned site in the staging environment. Additional updates will be provided to the subcommittee as the project progresses.

Director Search Expense

The Accounting Coordinator provided a spreadsheet of expenses relating to the Executive Director search. The summary of expenses was requested during the March Finance Subcommittee meeting. The spreadsheet detailed the amounts spent through Indeed and LinkedIn for the job postings. It also outlined the costs of mileage reimbursements and lunch provided to the Search Committee for the day of the interviews. Computer expenses were also included. Overall, the search project was under the projected estimate.

ESS Office Relocation Expense

The Accounting Coordinator provided the Subcommittee with a memo for the ESS Office Relocation Expense update. A summary of the timeline of the relocation was provided in the memo along with a full list of expenses to date, as well as projected expenses. While ESS has been renting at the Johnston location, ESS did not own the items being used by the admin team at that location. Office furnishings and supplies for the new site were purchased. Overall, the total expenditure relating to the relocation is expected to be around \$16,000. Money was set aside and approved to come out of the Unrestricted Reserve Account for this purpose.

Notification System RFQ

The Project Manager updated the Finance Subcommittee on the Notification System project. The ESS Coordinating Committee scheduled a special meeting immediately following the finance meeting. The RFQ process has been completed. The Notification System Committee, comprised of several County Recorders, reviewed proposals and unanimously selected Cott Systems from the three companies that responded to the RFQ.

Cott Systems will be providing software development services to build the Notification System for ILR. It was clarified that ESS is not purchasing a Cott system and that the system is being built for ILR. The cost of the system is \$277,000, which is a not-to-exceed amount. The projected completion date is expected around June or July 2026.

Discover Card Class Action

It was reported that in 2025, ESS was notified of a class action lawsuit against Discover Card. The lawsuit was for the overcharging of fees by the company from 2007 to 2023. Paperwork was submitted for both the ESS POS and E-Submission systems for that timeframe. The claims have been reviewed, but no further communication has been received. If any reimbursement is received, the Finance Subcommittee and ESS Coordinating Committee will be updated.

The meeting was adjourned. The next meeting of the Finance Subcommittee will be a web conference scheduled for May 7, 2026.